

[All Counsel in signature block below]

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

GOOGLE LLC,
Plaintiff and Counterclaim Defendant,
v.
ECOFACOR, INC.,
Defendant and Counterclaim Plaintiff.

Case No. 4:21-cv-03220-HSG

**JOINT CASE MANAGEMENT
STATEMENT**

Date: September 26, 2023

Time: 2:00 p.m.

Ctrm: 2, via AT&T Conference Line

Judge: Hon. Hayward S. Gilliam, Jr.

Date Filed: April 30, 2021

Trial Date: None Set

1 Plaintiff and Counterclaim Defendant Google LLC (“Google”) and Defendant and
 2 Counterclaim Plaintiff EcoFactor, Inc. (“EcoFactor”) jointly submit this Case Management
 3 Statement pursuant to Civil Local Rule 16-10(d). ECF Nos. 140-41.

4 **1. CASE STATUS**

5 Google filed this action on April 30, 2021, seeking a declaratory judgment that Nest
 6 Thermostats (the “Accused Products”) do not infringe U.S. Patent Nos. 8,740,100 (“the ’100
 7 patent”); 8,751,186 (“the ’186 patent”); 9,194,597 (“the ’597 Patent”); and 10,584,890 (“the ’890
 8 Patent”) (collectively, the “Asserted Patents”). ECF No. 1; *see* 28 U.S.C. § 2201. On July 13,
 9 2021, EcoFactor counterclaimed and alleged that the Accused Products infringe all claims of the
 10 Asserted Patents. ECF No. 17. On August 3, 2021, Google filed its answer to EcoFactor’s
 11 counterclaims. ECF No. 28. The Court has subject matter jurisdiction over this action pursuant
 12 to 28 U.S.C. §§ 1331, 1338(a) and 2201(a). Venue is proper in this judicial district pursuant to
 13 28 U.S.C. § 1391(b).

14 Google previously filed a dispositive motion for judgment on the pleadings, relating to
 15 patent eligibility under 35 U.S.C. § 101. ECF Nos. 41, 48, 49, 51, 59, 63, 75, 80. After a hearing,
 16 the Court denied Google’s motion. ECF Nos. 85, 86.

17 Following claim construction briefing by the parties, the Court held a *Markman* hearing
 18 on July 22, 2022. ECF Nos. 84, 97, 99. This action was stayed before the Court issued a decision
 19 on claim construction.

20 On August 11, 2022, Google moved to stay this case in light of pending *inter partes* review
 21 (“IPR”) proceedings before the Patent Trial and Appeal Board (“PTAB”) involving the ’100,
 22 ’186, and ’597 patents. ECF No. 131. EcoFactor opposed, *see* ECF No. 132, and Google filed
 23 its reply, *see* ECF No. 133. On October 11, 2022, the Court granted Google’s motion and
 24 administratively closed this case. ECF No. 135, at 1, 6. The Court further directed the parties to
 25 file a joint status report every six months, as well as following issuance of Final Written Decisions
 26 (“FWDs”), “to update the Court on the status of the IPR proceedings and any appeals therefrom.”
 27 *Id.* at 6; *see* ECF Nos. 137, 139.

1 **2. RELATED CASE STATUS**

2 **A. Post-Grant Invalidity Proceedings on the Asserted Patents**

3 On August 1, 2022, the PTAB discretionarily denied institution of Google’s IPR petition
 4 filed against the ’890 patent, IPR2022-00535, under 35 U.S.C. § 325(d), declining to reconsider
 5 “the issue of [the ’890 patent’s] priority date” and concluding the references raised in the IPR
 6 petition were, therefore, not prior art. On October 5, 2022, the PTAB denied Google’s request for
 7 rehearing of that decision denying institution. On July 21, 2023, the PTAB denied institution of
 8 an IPR petition filed against the ’890 patent, IPR2023-00409, by petitioner Ademco, Inc., which
 9 is a subsidiary of a Honeywell spinoff called Resideo Technologies, Inc. On September 8, 2023,
 10 the PTAB denied Ademco’s request for rehearing of that decision denying institution.

11 On August 1, 2023, the PTAB issued FWDs determining that all claims (claims 1-24) of
 12 the ’186 patent and all claims (claims 1-13) of the ’597 patent are unpatentable. On August 7,
 13 2023, the PTAB issued a FWD determining that all claims (claims 1-16) of the ’100 patent are
 14 unpatentable. EcoFactor has 63 days from the issuance of each FWD (until early October 2023)
 15 to appeal. *See* 35 U.S.C. § 141; 37 CFR § 90.3(a). Once EcoFactor’s time for appeal has expired,
 16 or any appeal has terminated, then the PTAB’s decisions will become final, and the U.S. Patent
 17 and Trademark Office (“USPTO”) will “issue and publish a certificate canceling any claim of the
 18 patent finally determined to be unpatentable.” 35 U.S.C. § 318(b).

19 On May 19, 2023, Google petitioned for *ex parte* reexamination (“XPR”) of the ’890 patent,
 20 relying on seven grounds for invalidity that were not raised in the IPR petitions referenced above.¹
 21 On August 17, 2023, the USPTO instituted XPR of all claims of the ’890 patent, finding a
 22 substantial new question of patentability (“SNQ”). EcoFactor has two months (until October 17,
 23 2023) to file a patent owner’s statement in response. 37 C.F.R. § 1.530(b). If EcoFactor files a
 24 statement, Google will have two months to reply. *Id.* § 1.535. After the last filing, the USPTO will
 25 then conduct a reexamination “with special dispatch” and issue a Non-Final Office Action

26

 27 ¹ EcoFactor notifies the Court that three of the six prior art references relied upon in the Ademco
 28 IPR petition—which was denied institution on the merits—are relied upon in Google’s XPR
 petition, and that appeals from XPR proceedings within the USPTO are decided by the PTAB
 (i.e., the same body that denied institution of Ademco’s IPR petition). *See* 35 U.S.C. §§ 305, 306.

1 preliminarily rejecting or allowing the claims. *Id.* § 1.530(a).

2 **B. Other Litigation Between the Parties**

3 Google and EcoFactor have three additional patent infringement cases involving the same
4 Accused Products pending in this District. All are stayed pending post-grant invalidity
5 proceedings:

- 6 • *Google LLC v. EcoFactor, Inc.*, Case No. 3:21-cv-01468-JD (N.D. Cal. Mar. 1, 2021)
7 (“NDCal 01468”) is currently stayed “[i]n light of ongoing [invalidity] proceedings
8 before the Federal Circuit and the [US]PTO re all four asserted patents[.]” NDCal
9 01468, ECF No. 74.
- 10 • *Google LLC v. EcoFactor, Inc.*, Case Nos. 3:22-cv-00162-PCP (N.D. Cal. Jan. 11,
11 2022) (“NDCal 00162”), 3:22-cv-07661-PCP (N.D. Cal. Jan. 10, 2022) (“NDCal
12 07661”) are consolidated and currently stayed based on ongoing invalidity
13 proceedings before the Federal Circuit and USPTO. *See* NDCal 00162, ECF No. 81;
14 NDCal 07661, ECF No. 115.

15 **3. THE PARTIES’ PROPOSALS FOR THE CASE DEVELOPMENT PROCESS**

16 **Google’s Position:** The Court stayed this case “pending conclusion of *inter partes*
17 review” of the ’100, ’186, and ’597 patents, and ordered the parties to submit reports “on the
18 status of the IPR proceedings and any appeals therefrom.” ECF No. 135 at 6. In staying this
19 case, the Court noted “the overlap of claims and subject matter between the instituted patents
20 and the ’890 patent,” and found that this overlap “weighs in favor of a stay.” *Id.* at 3.
21 EcoFactor’s time to appeal the PTAB’s determinations of unpatentability has not yet run, the
22 PTAB’s decisions are not yet final, and the USPTO has not yet issued a certificate canceling
23 the claims of the ’100, ’186, and ’597 patents. *See* 35 U.S.C. § 318(b). In light of EcoFactor’s
24 potential appeals from the PTAB’s decisions on the ’100, ’186, and ’597 patents and the
25 ongoing XPR of all claims of the ’890 patent, this case should remain stayed.

26 EcoFactor’s arguments in support of lifting the stay at this time, *see infra*, are without
27 merit. First, re-opening this case now would be premature. The Court stayed this case pending
28 resolution of the ’100, ’186, and ’597 patent IPRs, that is, through any appeal(s). ECF No. 135

at 1, 6; *see also* 35 U.S.C. § 318(b). Second, while EcoFactor asserts that it “intends to narrow this case to only the ’890 patent,” *see infra*, EcoFactor has not done so, and does not explain how it would do so. Proceeding now, in parallel with the Federal Circuit and PTO, risks conflicting decisions and changed claim scope; creates unnecessary inefficiencies; and, thereby, wastes judicial resources. *Fresenius USA, Inc. v. Baxter Int’l, Inc.*, 721 F.3d 1330, 1340 (Fed. Cir. 2013); *see Oyster Optics, LLC v. Ciena Corp.*, No. 4:20-CV-02354-JSW, 2021 WL 4027370, at *2 (N.D. Cal. Apr. 22, 2021); *Verinata Health, Inc. v. Ariosa Diagnostics, Inc.*, No. 12-CV-05501-SI, 2015 WL 435457, at *3 (N.D. Cal. Feb. 2, 2015).²

In contrast, a continued stay fosters efficiency, conserves judicial and party resources, and avoids “the highly-problematic prospect of inconsistent rulings regarding identical patents.” *Aliphcom v. Fitbit, Inc.*, 154 F. Supp. 3d 933, 936 (N.D. Cal. 2015). The PTO instituted XPR of the ’890 patent—a continued stay will further simplify the issues by “eliminat[ing] trial of that issue (when the claim is canceled) or to facilitate[ing] trial of that issue by providing the district court with the expert view of the PTO (when a claim survives the reexamination proceeding).” *Gould v. Control Laser Corp.*, 705 F.2d 1340, 1342 (Fed. Cir. 1983); *see Oyster Optics*, 2021 WL 4027370 at *2; *STMicroelectronics, Inc. v. Invensense, Inc.*, No. C 12-02475 JSW, 2013 WL 12173921, at *2 (N.D. Cal. Feb. 27, 2013). Moreover, it is well-settled, and EcoFactor cannot dispute, that its representations in the ongoing XPR of the ’890 patent and any appeals from the PTAB’s IPR decisions on the ’100, ’186, and ’597 patents will all constitute (additional) intrinsic evidence for purposes of any future claim construction to be rendered by this Court. *See Aylus Networks, Inc. v. Apple Inc.*, 856 F.3d 1353, 1360 (Fed. Cir. 2017); *Krippelz v. Ford Motor Co.*, 667 F.3d 1261, 1266 (Fed. Cir. 2012); *Hakim v. Cannon Avent Grp., PLC*, 479 F.3d 1313, 1317-18 (Fed. Cir. 2007); *see also O2 Micro Int’l Ltd. v. Beyond Innovation Tech. Co.*, 521 F.3d 1351, 1362 (Fed. Cir. 2008).

EcoFactor also seeks an abbreviated discovery schedule and trial in May 2024. *See infra*. Google disagrees. This case remains in its early stages. ECF No. 135 at 3. As this Court

² Cf. NDCal 01468, Order, ECF No. 74 (Aug. 2, 2023) (continuing stay on all four asserted EcoFactor patents, “[i]n light of ongoing proceedings before the Federal Circuit and the PTO,” over EcoFactor’s proposed covenant not to sue and partial stay).

1 has already found, the “parties have engaged in virtually no discovery” in this case and
 2 “additional discovery will be needed in spite of allegedly related past discovery in prior cases
 3 between the parties.” *Id.* (citing ECF No. 132 at 4-5); *see* ECF No. 132 at 4-5 (EcoFactor
 4 conceding that “some additional discovery will still be needed”). EcoFactor emphasizes that
 5 the ’890 patent’s additional “geopositioning” limitation sets it apart from other patents, but the
 6 parties have had no discovery on this limitation and, even if they had, the parties last produced
 7 documents to one another more than two years ago. “[W]hile much has been done, much
 8 remains, and the remaining work is costly.” *PersonalWeb Techs., LLC v. Apple Inc.*, 69 F.
 9 Supp. 3d 1022, 1026 (N.D. Cal. 2014). This factor supports a continued stay, not an accelerated
 10 time to trial.

11 Indeed, EcoFactor has not, and cannot, show any prejudice from a continued stay, or
 12 principled reason to race the PTO and Federal Circuit to a result. By its own litigation conduct,
 13 EcoFactor has shown no irreparable harm. ECF No. 135 at 5 (“EcoFactor’s failure to pursue a
 14 preliminary injunction undermines any argument that it could not be made whole with monetary
 15 relief.”); *see* NDCal 01468, ECF No. 74 (“EcoFactor’s suggestion that it will be prejudiced by
 16 a stay, ... is not well taken and the Court finds no likelihood of prejudice in these
 17 circumstances”). Nor has EcoFactor identified any gamesmanship. Google sought IPR, which
 18 was denied on discretionary grounds.³ Google has since sought XPR, with a final office action
 19 anticipated in the next nine to ten months. “[P]arties having protection under the patent
 20 statutory framework may not complain of the rights afforded to others by that same statutory
 21 framework.” *Asetek Holdings, Inc v. Cooler Master Co.*, No. 13-CV-00457-JST, 2014 WL
 22 1350813, at *4 (N.D. Cal. Apr. 3, 2014).

23 Google respectfully submits that a continued stay is warranted, until the appeals period
 24 in the ’100, ’186, and ’597 patent IPRs has run, and until at least the PTO’s final office action
 25 in the ’890 patent XPR makes clear which claims, and what claim language, is likely to apply
 26 going forward.

27 ³ EcoFactor repeatedly references IPR2023-00409, which was brought by another
 28 petitioner, and *EcoFactor, Inc. v. ecobee, Inc.*, Case No. 6:21-cv-00428 (W.D. Tex.), brought
 against another defendant, Both are unrelated to Google and, therefore, are of no relevance here.

1 In any event, before the Court considers reopening this case, with respect to the '890
2 patent, and rather than respond here point-for-point to each of EcoFactor's assertions below
3 about the '890 patent, Google respectfully requests an opportunity to submit briefing for the
4 Court to consider whether a continued stay is appropriate—either pursuant to an agreed briefing
5 schedule, or competing scheduling proposals if an agreement cannot be reached.

6 **EcoFactor's Position:** Now that IPRs involving all four asserted patents have
7 concluded, the Court should enter a schedule and set a trial date on the '890 patent. The PTAB
8 ruled in favor of the '890 patent in two non-appealable IPR decisions, including IPR2022-
9 00535 by Google and IPR2023-0409 by Ademco, the latter of which was decided while this
10 case was stayed. Meanwhile, the PTAB found the claims of the '100, '186, and '597 patents to
11 be unpatentable. EcoFactor therefore intends to narrow this case to only the '890 patent. Given
12 the IPRs in favor of the '890 patent, EcoFactor's narrowing strongly weighs in favor of lifting
13 the stay and proceeding on the '890 patent. EcoFactor and Google have litigated three trials
14 and can efficiently complete discovery so that trial on the '890 can begin in May 2024.⁴

15 Despite EcoFactor's proposal to move forward only on the '890 patent, Google suggests
16 that overlap in subject matter between the '100, '186, and '597 patents and the '890 patent
17 merits an ongoing stay through any appeals of those IPRs. But this ignores the recent IPR
18 decisions finding that the prior art used against the '100, '186, and '597 patents does not
19 disclose the '890 patent claims. Indeed, since the initial stay, IPR2023-00409 on the '890 patent
20 argued obviousness based on prior art that was also asserted in IPRs against the '100, '186, and
21 '597 patents. But despite the overlap in prior art, the PTAB denied institution of IPR2023-
22 00409 on the merits, because the combination of prior art failed to teach the distinct
23 geopositioning feature of the '890 patent, a feature that is not recited in any of the '100, '186,
24 or '597 patents. This demonstrates that there will be no meaningful issue simplification based
25 on proceedings involving different patents. The stay should be lifted.

26 Google also refers to an XPR proceeding involving the '890 patent, but this does not

27 ⁴ EcoFactor proposes beginning trial on May 20, 2024, with fact discovery closing January 29,
28 2024, dispositive/*Daubert* motions due by February 6, 2024, and a final pretrial conference held
on May 7, 2024.

1 merit a stay. Any potential new stay relating to the '890 XPR would need to be separately
2 requested by Google and briefed by the parties. In the meantime, the Court should enter a
3 schedule and set a trial date.

4 To the extent Google does seek a stay based on the '890 patent XPR, EcoFactor will
5 note that Google's belated XPR is unlikely to simplify the issues. After all, an IPR involving
6 nearly the same prior art references already concluded in EcoFactor's favor. As noted above,
7 Google requested IPR of the '890 patent in February 2022, but those proceedings were not
8 instituted. *See* ECF No. 131. In December 2022, another petitioner (Ademco) requested IPR of
9 the '890 patent based on nearly the same prior art raised in Google's XPR. That second IPR
10 petition was denied institution on the merits. And while Google's XPR request was granted,
11 that says little about the merits because well over 90% of XPR requests are granted. *See*
12 [https://www.uspto.gov/sites/default/files/documents/ex_parte_historical_stats_roll_up_21Q1](https://www.uspto.gov/sites/default/files/documents/ex_parte_historical_stats_roll_up_21Q1.pdf).
13 pdf. Facts such as these indicate that Google is unlikely to prevail in invalidating the '890 patent
14 claims through XPR, especially given that an IPR involving nearly the same prior art references
15 already concluded in EcoFactor's favor.

16 And while Google suggests there will be further guidance on claim construction,
17 tellingly it identifies no aspect of the IPR decisions that involved claim construction, nor
18 anything about the '890 XPR that could impact construction of the sole disputed term of the
19 '890 patent (i.e., "rapid cycling"). This Court does not need further guidance on this dispute
20 because it has already been fully briefed and argued, and another court already rejected the
21 same argument and entered final judgment in EcoFactor's favor following trial on the '890
22 patent. *See* ECF No. 84 at 2; ECF No. 99 at 13; *EcoFactor, Inc. v. ecobee, Inc.*, Case No. 6:21-
23 cv-00428, ECF No. 248 (W.D. Tex.).

24 Moreover, Google should not be rewarded with a multi-year stay for its tactic of
25 bringing serial challenges at the Patent Office, including an XPR filed ***more than two years***
26 after this case began and nearly a year after this Court and EcoFactor invested substantial time
27 and resources into completing claim construction and addressing Google's early case-
28 dispositive motion. A stay in these circumstances would be unduly prejudicial and would

1 incentivize these wasteful litigation tactics. Google did not even request XPR of the '890 patent
 2 until May 19, 2023—seven months after the stay in this case was entered, and after Google's
 3 IPR challenge was denied. Now that the Patent Office has rejected two separate IPRs on the
 4 '890 patent, a further stay would unduly prejudice EcoFactor and reward Google's
 5 gamesmanship and serial Patent Office challenges.

6 Thus, EcoFactor proposes that the parties complete fact discovery by January 29, 2024.
 7 This is very achievable because the parties conducted extensive discovery in their three prior
 8 trials, which included large document and source code productions, dozens of depositions, and
 9 thousands of pages of expert reports. *See* ECF No. 132 at 3-4. The Court and parties will also
 10 have the benefit of documents and rulings from another case involving the '890 patent, in which
 11 the jury found infringement of the '890 patent and awarded damages to EcoFactor, with the
 12 defendant electing not to even present any invalidity defense at trial. *See EcoFactor, Inc. v.*
 13 *ecobee, Inc.*, Case No. 6:21-cv-00428, ECF No. 248 (W.D. Tex.).

14 **4. SETTLEMENT AND ADR**

15 The parties have participated in multiple in-person settlement discussions and mediation
 16 but have been unable to reach an agreement. The parties anticipate continued mediation and
 17 discussions in an effort to reach settlement.

18 Dated: September 19, 2023

Respectfully submitted,

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ATTESTATION

I, Bijal Vakil, am the ECF user whose ID and password authorized the filing of this document. Under Civil L. R. 5-1(h)(3), I attest that all signatories to this document have concurred in this filing.

Dated: September 19, 2023

By: /s/ Bijal V. Vakil
Bijal V. Vakil

CERTIFICATE OF SERVICE

I am employed in the County of Santa Clara, State of California. I am over the age of 18 and am not a party to the within action. My business address is 550 High Street, Palo Alto, California 94301.

On September 19, 2023, I caused the foregoing documents described as:

JOINT CASE MANAGEMENT STATEMENT

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I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on September 19, 2023, at Palo Alto, California.

/s/ Bijal V. Vakil
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